

Quarterly Report - 31 December 2006

Company Background

As this is the initial Quarterly Report from Zamia Gold, a brief background is provided.

Zamia Gold:

- A mineral exploration company, focused on gold exploration in the Clermont region of central Queensland.
- Managed by qualified mining industry professionals with extensive experience in gold and base metals exploration. Directors and staff have a proven track record in discovery, assessment, development and management of gold operations in Queensland.
- Will expend \$1.7 million on exploration in the coming year.
- Holds 9 Exploration Permits for Minerals (EPM's), 1 Exploration Permit Application and an option over interest in a Mining Lease, covering a total of approximately 2750 km² in the highly prospective mineral province.
- Another spin-out and IPO of one of International Base Metals Limited's ("IBML") subsidiaries, following the IPO of Copper Range Limited in June 2006.
- Tenements cover part of the Drummond Basin which hosts world scale gold deposits, Pajingo and Vera Nancy, classic examples of the epithermal gold potential of the region. Tenements also cover part of the Anakie Inlier which also hosts several under explored gold deposits as well as numerous gold and base metals occurrences.
- Holds the old Lucky Break mine which has potential for additional resource discovery and early cash flow from renewed mine development.
- Has also negotiated an option over the old Belyando open pit gold mine, which has similar potential for further discovery.

ZGM listed on 10th Jan on the Australian Stock Exchange at 30 cents or 50 per cent on its issue price. The stock hit a high of 40 cents during first day, before closing 90 per cent up at 38 cents.



Logistics Manager Jock Banks at the Belyando Pit



ZAMIA GOLD

MINES LIMITED

Corporate Highlights

- An Initial Public Offering (IPO) Prospectus opened on 14 November 2006 to raise \$4 million.
- The IPO closed 2 days later, significantly oversubscribed.
- Subsequent to the 31 December 2006 the Company was listed on 10 January 2007.
- An aggressive exploration programme has begun focussing initially on the Lucky Break gold mine and the Belyando Mining Lease.

Technical Highlights

Significant highlights in the quarter ended 31 December 2006 are:

- Independent geologist, Bill Laing, visited Zamia's tenements. His report on Lucky Break structure and mineralisation, including rock chip sampling highlighted a district mill breccia zone, not previously mined, at the northern and southern ends of the existing pit, grading from 6.0 g/t to 28.4 g/t Au.
- Historic reports and geological data from the Belyando (Wirralie Mines Pty Ltd) mine are being digitised and analysed prior to drill testing.
- Reconnaissance over the Matta Prospect within Zamia's Mount Rolfe EPM, has highlighted an exposed epithermal textured vein traced for over a distance of approximately one kilometre. This area will be mapped in detail during the next quarter.



Belyando Pit



ZAMIA GOLD

MINES LIMITED



View from Mt McLaren

Signed by

Peter Bradfield | *Executive Chairman*

Corporate Directory

Peter Bradfield
Executive Chairman

Matthew Stephens
Executive Director – Operations

John Newton
Director

Stephen Blackman
Director

Andrew Skinner
Director

Joint Company Secretaries

John Stone

Geoff Broomhead

ASX Code: **ZGM**

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Disclaimer

Mr M.F Stephens (B. App Sci - Geology) , a geologist employed full time by Zamia Gold Mines Limited, compiled the technical aspects of this report. Mr. Stephens is a member of the Australasian Institute of Mining and Metallurgy and has sufficient experience that is relevant to the style of mineralisation and type of deposits under consideration and to the activity that is being reported on to qualify as a Competent Person as defined in the 2004 edition of the "Australasian Code for Reporting of Mineral Resources and Ore Reserves". Mr Stephens consents to the inclusion of the matters in the form and context in which it appears.